

ROCHELLE CHRONISTER

17124 BETHEL ROAD
NEODESHA, KANSAS 66757

November 23, 2009

Governor Mark Parkinson
Kansas Statehouse
Topeka, Kansas 66612

Dear Governor Parkinson,

The Kansas Facilities Closure and Realignment Commission has finished its work and is pleased to submit the enclosed report with our recommendations to you.

As chairman of the Commission I can truly say this was one of the most fully engaged groups that I have ever worked with during my time with state government. There were almost no absences from meetings and we were able to tour all of the facilities which were on the list for our examination. We held public hearings at each site and held further hearings on all of the facilities in Topeka at the Capitol also.

The decisions which were made were very difficult as they dealt with some of the most fundamental decisions affecting people's lives and the Commissioners felt their responsibilities deeply. The Cabinet members who were providing information to the Commission also did an excellent job of providing the information that was requested. Commission staff deserves a special thank you for keeping us on point and insuring that our recommendations were accurately reflected.

We hope these recommendations will prove useful.

Sincerely,

Rochelle Chronister, Chairman
Facilities Closure and Realignment Commission

EXECUTIVE SUMMARY

The Governor's Facilities Closure and Realignment Commission has made the following recommendations on the facilities named in Executive Order 09-01 and one additional facility, the Rehabilitation Center for the Blind and Visually Disabled. One facility named in Executive Order 09-01, the Beloit Juvenile Correctional Facility, suspended operations independent of the Commission.

The Commission met monthly from April through October. In order to both educate Commissioners and allow ample input from the public and from stakeholders, Commissioners visited each facility for a tour and a public hearing on the site. The Commission also hosted a public hearing for each facility at the Statehouse in Topeka.

The Commission submits two recommendations on the **Kansas State School for the Blind (KSSB) and the Kansas School for the Deaf (KSD)**:

1. KSSB and KSD will combine as many functions as possible in the areas of administration, maintenance, security and food service. The services to be considered for merger include but are not limited to business office, human resources, technology and the health center. The Department of Education estimates merger of these functions should save a combined \$400,000 to \$500,000 per year.
2. In order to simplify administrative functions and more accurately account for the savings targeted by the Commission, KSSB and KSD should be budgeted as a single entity.

The Commission submits two recommendations on the **Rehabilitation Center for the Blind and Visually Disabled (RCBVI)**:

1. RCBVI will be closed and SRS will reinvest savings from the closure of the facility into outreach programs to better serve the blind and visually impaired population in Kansas.
2. An Advisory Committee for the Blind and Visually Impaired be created either through Executive Order or statutory change.

The Commission has one recommendation for **Rainbow Mental Health Center (Rainbow)**:

1. Rainbow will remain open and SRS will pursue public/private partnerships with community hospitals, with an integrated health model, inclusive of community mental health centers and moving toward downsizing state hospitals. SRS will report progress towards this recommendation to the 2011 Legislature.

The Commission submits three recommendations for **Kansas Neurological Institute (KNI) and Parsons State Hospital (Parsons)**:

1. The Commission recommends SRS develop criteria for placement in community based services that take into account
 - What population has proven it can be successfully served in the community
 - What circumstances and needs are presented by the most recent admissions to Parsons or KNI
 - Of the current population at Parsons and KNI, who would have a high probability of success in the community if given the right supports
 - Of the current population at Parsons and KNI, who would present moderate challenges but would have a high probability for success given appropriate supports and services from the right provider
 - SRS has estimated at least 49 residents at KNI and 62 residents at Parsons State Hospital meet these criteria and the Commission recommends those residents be placed in community based services.
2. The Commission recommends SRS review the residents not preliminarily identified by SRS to meet these criteria at KNI (108 residents) for placement in the community or for transfer to Parsons State Hospital and that KNI be closed. The Commission also recommends remaining residents at Parsons State Hospital (129 residents) be reviewed for placement in the community.
3. The Commission recommends that when the Governor prepares his Executive Reorganization Order (ERO) to carry out the recommendations concerning the closure of KNI and downsizing of Parsons that the ERO be written as clearly and strongly as possible to ensure any savings go to expand funding for the Home and Community Based Services for the Developmentally Disabled (HCBS DD) Waiver. The Commission recommends that this be done by specifically requiring the ERO to transfer all dollars from KNI to the HCBS DD Waiver prior to closure of the state hospital. In fact, some specific components that are recommended for the Governor's ERO, budget and other documents to carry out our recommendation by:
 - a. Immediately transferring, through ERO or other means, all appropriations for KNI into the same budget line item as HCBS DD Waiver Services, to ensure that every dollar saved in closure will stay in the DD Waiver budget.
 - b. Writing into the ERO that all programmatic savings due to closure as well as all proceeds from the sale of real estate, surplus property and all other savings must flow to a special trust fund which can only be used for new services on the HCBS DD Waiver.
 - c. Having the Governor require by ERO or Executive Order (EO) that his agencies separately track all appropriations from this trust account and from any accounts with KNI or DD Waiver services, in order to ensure that the savings are going to new DD Waiver services.
 - d. Having the Governor take any and all other steps to ensure that the full recommendation of the Commission is carried out, whether it is through EO, ERO, policy directive or via the proposed FY 2011 Governor's Budget Report.

Kansas State School for the Blind and Kansas School for the Deaf

The Commission made visits to the Kansas State School for the Blind (KSSB) and the Kansas School for the Deaf (KSD) on April 6 and April 7. At each visit, Commissioners toured the campuses of both schools and held a public hearing. On June 22, the Commission held a second public hearing on KSSB at the State Capitol in Topeka. On July 27, the Commission held a second public hearing on KSD at the State Capitol in Topeka. All told, the Commission heard from 29 individuals and organizations regarding KSSB. The Commission heard from 32 individuals and organizations regarding KSD.

At each of the schools Commissioners expressed concerns over the age of the facilities as well as the utilization of space across the campuses compared to the number of students being served. Following the four public hearings, the Commission directed KSSB, KSD, and the Department of Education to explore plans to either use current buildings on the campus of KSD for students of KSSB or to construct new buildings on the KSD campus for students of KSSB. The Commission's directive was clear – to merge the two campuses into a single campus.

Several additional suggestions were studied by the Commission over the course of the summer, but it should be noted that at no time did any Commission member recommend closure of either KSSB or KSD nor was it ever suggested that the two schools be merged. There was a proposal presented by Envision, Inc. that outlined how Envision would provide outreach services to blind students across the state in the event of closure of KSSB. That proposal was distributed to Commission members and no further information was requested.

Commissioners were also provided information on the possibility of using “foster families” for elementary school students who are currently living at on-campus dormitories; the executive summaries of prior studies of the two schools' facilities; information regarding the ownership of KSSB property should the land no longer be used for education of blind students;

The Department of Education Commissioned Hollis & Miller architects to estimate the costs of the scenarios presented by the Commission. Their estimate for campus-wide improvements, remodeling costs and new construction is \$26,653,584. To build a new KSSB building at the west end of the current KSSD campus would cost \$29M - \$32M.

Given costs of at least \$25 million for upgraded facilities, the Commission focused on whether efficiencies from closed facilities, such as closing the KSSB campus and co-locating with KSD, and efficiencies from shared services would be enough to cover the costs of upgraded facilities. Several Commission members were hopeful that, given the age and condition of the buildings on both campuses, sufficient efficiency could be found to justify construction of a new state of the art facility that could house both campuses.

In analyzing the current budget for both schools, the five year capital improvement plan for both schools, and the annual maintenance currently being done at both schools, the Department of Administration, the Division of the Budget, the Department of Education, and the two schools all agreed that the maximum efficiencies which could be generated would be approximately \$1.5 million a year. This total would include reduced utility costs, reduced capital costs due to closure of the current KSSB campus, and the merger of several administrative functions. However, it was estimated that debt service on new construction would be approximately \$3 million a year.

Therefore, the Commission submits two recommendations on the Kansas State School for the Blind and the Kansas School for the Deaf:

3. KSSB and KSB will combine as many functions as possible in the areas of administration, maintenance, security and food service. The services to be considered for merger include but are not limited to business office, human resources, technology and the health center. The Department of Education estimates merger of these functions should save a combined \$400,000 to \$500,000 per year.
4. In order to simplify administrative functions and more accurately account for the savings targeted by the Commission, KSSB and KSD should be budgeted as a single entity.

Rehabilitation Center for the Blind and Visually Impaired (RCBVI)

The Commission visited RCBVI on July 28. Commissioners toured the facility in Topeka and held a public hearing. Commissioners heard from 13 organizations and individuals about the services provided at RCBVI. The consensus opinion was that the services delivered there were very important to blind Kansans and should be preserved. Testimony was presented by the Kansas Optometric Association, Envision, and Alphapointe indicating there was interest from private organizations in providing the same services being provided at RCBVI.

Commissioners asked SRS to provide information on what services would be available in the private sector and what the comparative costs would be. SRS put together a plan which would utilize \$300,000 in American Recovery and Reinvestment Act (ARRA) funding to enhance and build community capacity. SRS identified a network of approximately 80 vocational rehabilitation counselors statewide and five facility based services in Kansas, Nebraska, Missouri, Iowa, and Colorado which could provide similar or enhanced services at a lower cost than RCBVI.

SRS estimates the average cost for a consumer at RCBVI is \$23,024 a month; SRS found the five facility-based services surveyed could provide complete services for between \$21,672 and \$31,649. SRS determined that closure of RCBVI by July 1, 2010 would generate a savings of \$73,275 SGF/\$344,015 All Funds.

Commissioners agreed with the SRS assessment that by closing RCBVI the state has an opportunity to enhance services by utilizing savings and collaborating with current service providers to offer people an enhanced level of community services. The Commission recommends RCBVI be closed by July 1, 2010 and the money saved by closing the facility be used to make assistance available to persons across the state by reinvesting it in outreach programs. Resources can be shifted to provide more services to a greater number of people without them having to travel great distances. It would also be possible to contract with the School for the Blind to serve both the adult and child populations.

The Commission also recommends an Advisory Committee for the Blind and Visually Impaired be created that is similar in size and responsibilities to the Kansas Commission for the Deaf and Hard of Hearing. The Commission makes no recommendation on the disposal of the current RCBVI facility. According to SRS, there are two buildings that make up RCBVI and each carries a current bond payment. For the AWL building debt service runs through FY 2011. For the Woodward building, debt service runs through FY 2021 at a rate of approximately \$100,000/year.

Therefore, the Commission submits two recommendations on the Rehabilitation Center for the Blind and Visually Disabled:

3. RCBVI will be closed and SRS will reinvest savings from the closure of the facility into outreach programs to better serve the blind and visually impaired population in Kansas.
4. An Advisory Committee for the Blind and Visually Impaired be created either through Executive Order or statutory change.

Rainbow Mental Health Center (Rainbow)

The Commission visited Rainbow Mental Health Center on April 6. Commissioners toured the facility in Kansas City and held a public hearing. During the visit to Rainbow, Commissioners heard testimony from twelve individuals representing a broad range of the community, including former clients and their families, local law enforcement, and local mental health providers.

The Commission held a second public hearing on June 22 at the Statehouse in Topeka. Commissioners heard from eight conferees representing law enforcement and local mental health providers. At the June 22 hearing Commissioners also heard a proposal from KVC Behavioral HealthCare to acquire Rainbow from the State of Kansas and develop the facility into a psychiatric hospital facility and training center.

In reviewing the testimony on Rainbow and the mental health resources available statewide, Commissioners consistently indicated a preference for smaller, community based mental health resources and believed Rainbow provided a good model for SRS to utilize in developing additional capacity within the mental health system. Commissioners, in reviewing the costs of operating Rainbow compared to the costs of operating state hospitals at Osawatomie and Larned, did not indicate an interest in closing Rainbow and reducing the availability of inpatient mental health services in the state.

Therefore, the Commission has one recommendation for Rainbow Mental Health Center:

Rainbow will remain open and SRS will pursue public/private partnerships with community hospitals, with an integrated health model, inclusive of community mental health centers and moving toward downsizing state hospitals. SRS will report progress towards this recommendation to the 2011 Legislature.

Parsons State Hospital (Parsons) and Kansas Neurological Institute (KNI)

The Commission visited Parsons State Hospital for a tour and public hearing on May 18. Commissioners toured both the state hospital facilities and the KU Life Span Institute. Commissioners heard testimony from 25 individuals and organizations, including parents and family members, representatives from local communities, and representatives of local community mental health and developmental disability organizations.

The Commission visited the Kansas Neurological Institute on May 189 for a tour and a public hearing. Commissioners heard testimony from 21 individuals at KNI, mostly parents, guardians, and advocates for the disabled.

Following the visits to Parsons and KNI, Commissioners requested information from SRS on the number of patients who were residents at Winfield State Hospital when it was closed who are still residents or who were unable to be served in a community setting. SRS submitted the following chart:

People Moving From Winfield State Hospital	To Parsons State Hospital	To Kansas Neurological Institute	To Community Setting
I: At time of Winfield State Hospital closure	14 <i>Tier rating information: Tier 1 – 9 people (64%) Tier 2 – 2 people (14%) Tier 3 – 3 people (21%)</i>	28 <i>Tier rating information: Tier 1 – 19 people (68%) Tier 2 – 5 people (18%) Tier 3 – 4 people (14%)</i>	209 <i>Tier rating information: Tier 1 – 135 people (65%) Tier 2 – 46 people (22%) Tier 3 – 22 people (10.5%) Tier 4 – 5 people (2%) Tier 5 – 1 person (0.5%)</i>
II: People from category I who later moved to community setting	2	2	4 additional (213 total)
III: People from category II who later returned to a state hospital setting	0	0	0

SRS also provided estimates to the Commission on costs associated with closing one of the two institutions while leaving the other opened. Those estimates are attached as Attachment A.

The Commission held a second public hearing on Parsons and KNI at the Statehouse in Topeka on September 28 and September 29. On September 28, Commissioners heard from 21 individuals and organizations on KNI and from an additional 6 individuals and organizations on Parsons.

On September 29, Commissioners heard from Rod Turnbull with the KU Center on Developmental Disabilities, Kathy Lobb with the Self-Advocate Coalition of Kansas, Jane Rhys with the Council on Developmental Disabilities, Rocky Nichols with the Disability Rights Center of Kansas, and Tom Laing with InterHab. Each testified on the benefits of providing services for the disabled in a community setting as opposed to a state hospital setting.

On October 26 and 27, the Commission held a public hearing in Topeka to make its recommendation. The Commission received Attachment B from SRS outlining the costs of identifying current residents at KNI and Parsons who could be best served in the community and the costs of maintaining bed space for remaining residents. The Commission made a pair of recommendations.

The Commission feels strongly that community based services are the best resource for Kansans in need of care.

As its first recommendation, the Commission recommends SRS develop criteria for placement in community based services that take into account

- What population has proven it can be successfully served in the community
- What circumstances and needs are presented by the most recent admissions to Parsons or KNI
- Of the current population at Parsons and KNI, who would have a high probability of success in the community if given the right supports
- Of the current population at Parsons and KNI, who would present moderate challenges but would have a high probability for success given appropriate supports and services from the right provider

Current patients were identified who met these criteria. KNI identified 49 who met this criteria and Parsons State Hospital identified 62 who meet the criteria. The Commission asked SRS to develop criteria based upon the above factors and place in the community those individuals previous identified and those determined through further evaluation.

In reviewing the projected census numbers for KNI, the Commission found the number of residents has been at a steady rate of decline for a number of years with a limited number of admissions. In reviewing the projected census numbers for Parsons State Hospital, the Commission found the number of residents has remained steady and that admissions and discharges have remained fairly constant.

Therefore, the Commission recommends SRS review the remaining residents at KNI (108 residents) for placement in the community or for transfer to Parsons State Hospital and that KNI be closed. The Commission also recommends remaining residents at Parsons State Hospital (129 residents) be reviewed for placement in the community.

According to SRS, a timeline for placing residents and closing KNI is between 30 and 36 months. During this time there will be a cost incurred in the community, as well as a cost to continue operating KNI and an increased cost at Parsons. As a result there would be a savings in the first year of \$86,010 all funds, \$36,167 state funds. In the second year there will be an all funds savings of \$7,758,823, SGF savings of \$3,262,585. In the third year and subsequent years there will be a savings of \$13,662,079 all funds, SGF savings of \$5,744,904

As its second recommendation, the Commission approved the following motion. The Commission believes its recommendation on transferring current residents to community services and closing KNI will only benefit the State of Kansas and the developmental disability system if the funding currently appropriated for residents at KNI is dedicated to the DD waiver list, and as such considers its recommendation to be contingent upon also implementing the approved motion.

- The Commission recommends that when the Governor prepares his ERO to carry out the recommendations concerning the closure of KNI and downsizing of Parsons, that the ERO be written as clearly and strongly as possible to ensure any savings go to expand funding for the HCBS DD Waiver. The Commission recommends that this be done by specifically requiring the ERO to transfer all dollars from KNI to the HCBS DD Waiver prior to closure of the state hospital. In fact, some specific components that are recommended for the Governor's ERO, budget and other documents to carry out our recommendation by:
 - Immediately transferring, through ERO or other means, all appropriations for KNI into the same budget line item as HCBS DD Waiver Services, to ensure that every dollar saved in closure will stay in the DD Waiver budget.
 - Writing into the ERO that all programmatic savings due to closure as well as all proceeds from the sale of real estate, surplus property and all other savings must flow to a special trust fund which can only be used for new services on the HCBS DD Waiver.
 - Having the Governor require by ERO or EO that his agencies separately track all appropriations from this trust account and from any accounts with KNI or DD Waiver services, in order to ensure that the savings are going to new DD Waiver services.
 - Having the Governor take any and all other steps to ensure that the full recommendation of the Commission is carried out, whether it is through Executive Orders (EO), ERO, policy directive or via the proposed FY 2011 Governor's Budget Report.

In summary, the Commission submits three recommendations for Kansas Neurological Institute and Parsons State Hospital:

1. The Commission recommends SRS develop criteria for placement in community based services that take into account:
 - What population has proven it can be successfully served in the community
 - What circumstances and needs are presented by the most recent admissions to Parsons or KNI
 - Of the current population at Parsons and KNI, who would have a high probability of success in the community if given the right supports
 - Of the current population at Parsons and KNI, who would present moderate challenges but would have a high probability for success given appropriate supports and services from the right provider
 - SRS has estimated at least 49 residents at KNI and 62 residents at Parsons State Hospital meet these criteria and the Commission recommends those residents be placed in community based services.
2. The Commission recommends SRS review the residents not preliminarily identified by SRS to meet these criteria at KNI (108 residents) for placement in the community or for transfer to Parsons State Hospital and that KNI be closed. The Commission also recommends remaining residents at Parsons State Hospital (129 residents) be reviewed for placement in the community.
3. The Commission recommends that when the Governor prepares his ERO to carry out the recommendations concerning the closure of KNI and downsizing of Parsons that the ERO be written as clearly and strongly as possible to ensure any savings go to expand funding for the HCBS DD Waiver. The Commission recommends that this be done by specifically requiring the ERO to transfer all dollars from KNI to the HCBS DD Waiver prior to closure of the state hospital. In fact, some specific components that are recommended for the Governor's ERO, budget and other documents to carry out our recommendation by:
 - a. Immediately transferring, through ERO or other means, all appropriations for KNI into the same budget line item as HCBS DD Waiver Services, to ensure that every dollar saved in closure will stay in the DD Waiver budget.
 - b. Writing into the ERO that all programmatic savings due to closure as well as all proceeds from the sale of real estate, surplus property and all other savings must flow to a special trust fund which can only be used for new services on the HCBS DD Waiver.
 - c. Having the Governor require by ERO or EO that his agencies separately track all appropriations from this trust account and from any accounts with KNI or DD Waiver services, in order to ensure that the savings are going to new DD Waiver services.
 - d. Having the Governor take any and all other steps to ensure that the full recommendation of the Commission is carried out, whether it is through Executive Orders (EO), ERO, policy directive or via the proposed FY 2011 Governor's Budget Report.

ATTACHMENT A
Consolidation Options of State Developmental Disability Facilities

This document is to provide information to the Closure and Realignment Commission concerning options of combining Parsons State Hospital and Training Center, and Kansas Neurological Institute, and moving some residents to the community.

Rated Bed Capacity

Each of the five state institutions has a rated bed capacity that is higher than they would be able to serve. The rated bed capacity is based on the original design of the facility which was determined by how services and programs were provided to the residents of these facilities at the time. Since this time the standard of practice has changed considerably, which requires more space per resident. This change in the standard of practice is also reflected in the current survey standards for these facilities. If we were to go back to the rated bed capacity in these facilities we would lose federal funding, because we would not meet survey requirements. We would also in all probability come under action from the Department of Justice for rights violations. In addition, in several instances it would be physically impossible to go back to the rated bed capacity because of modifications and remodeling of space which has occurred to meet the current standard of practice.

In both of the scenarios presented below the additional persons added to Parsons and KNI is the absolute maximum increase they could sustain and will push them to the limit of their space utilization and still be able to meet survey requirements.

Close Parsons State Hospital and Training Center, Moving 39 Residents to KNI and 152 residents to the community

Parsons on average cares for 191 residents a year. KNI could accept 39 of these residents without any modifications or renovations to their facilities, leaving 152 residents to move to the community. A rough estimate of the savings of this option was calculated using the assumptions outlined below, using FY2009 budgeted expenses. It is important to note these cost savings are estimates based on averages for the community costs, as well as the Institutional costs, the actual savings cannot be calculated until it is determined who would be moved to the community and who would be moved to another institution.

Using the assumptions below, it was determined it would take 22 months before all of the residents of Parsons are moved to the community. During this time there will be a cost incurred in the community, as well as a cost to continue operating Parsons and an increased cost at KNI. As a result there would a savings in the first year of \$536,288 all funds, \$225,509 state funds. In the second year there will be an all funds savings of \$2,776,214, SGF savings of \$1,167,398. In the third year there will be a savings of \$6,858,810 all funds, SGF savings of \$2,884,130. In the fourth and subsequent years there will be an all funds savings of \$7,207,443, SGF savings of \$3,030,730.

Close Kansas Neurological Institute, Move 40 residents to Parsons and 118 residents to the Community

KNI on average cares for 158 residents a year. Parsons could accept 40 ambulatory residents with some minor modifications to their facilities, leaving 118 residents to move to the community. A rough estimate of the savings of this option was calculated using the assumptions outlined below, using FY2009 budgeted expenses. It is important to note these cost savings are estimates based on averages for the community costs, as well as the Institutional costs, the actual savings cannot be calculated until it is determined who would be moved to the community and who would be moved to another institution.

Using the assumptions below, it was determined it will take 17 months before all of the residents of KNI are moved to the community. During this time there will be a cost incurred in the community, as well as a cost to continue operating KNI and an increased cost at Parsons. As a result there would be a savings in the first year of \$86,010 all funds, \$36,167 state funds. In the second year there will be an all funds savings of \$7,758,823, SGF savings of \$3,262,585. In the third year and subsequent years there will be a savings of \$13,662,079 all funds, SGF savings of \$5,744,904.

Assumptions Used in determining the costs and savings

We have used historical data from the closure of the Winfield State Hospital, and current tier rate cost data to determine a rough estimate of savings.

Using Winfield State Hospital as an example the following information was used as a bases for calculating costs and savings:

- The Closure Commission submitted their report to the Governor, recommending the closure of Winfield State Hospital, on November 30, 1995. The closure of Winfield occurred on January 30, 1998.
- During closure an average of 7 people moved from Winfield to the community each month.
- Approximately 90% of the people moved to the community had individual rates which were above the standard tier rates.
- On average each person moving to the community received start up money of \$4,600.

Factors used in determining the community costs, Parsons and KNI costs are:

- 7 people would move to the community each month, and 8 people would move to the Institutions each month (8 people is the average size of a KNI home)
- 75% of the people moving to the community would receive super tier rate reimbursement, which would closely equate to the individual rates used during the Winfield closure.
- A per person monthly average of the day and residential rates were used to calculate the monthly costs.
- Each person moving to the community would receive \$4,600 for start up costs.

- Parsons and KNI Direct Care costs were reduced proportionally each time a home could be closed.
- Parsons and KNI Physical Plant and Central Services costs were reduced proportionally each time a building was able to close.
- The Dual Diagnosis Outreach Program at Parsons would move to KNI and continue.
- All school age children at Parsons would move to the community.
- The cost of serving a resident at KNI and Parsons was averaged and then used in determining the cost of residents moving to KNI and Parsons.

It should also be pointed out that there are additional costs associated with moving residents to the community, such as other Medicaid medical costs which average \$6,321 per person per year, housing costs, etc. that have not been considered in this review.

ATTACHMENT B

FOLLOW UP INFORMATION TO THE SEPTEMBER CLOSURE REALIGNMENT COMMISSION MEETING

1. Are we delaying the inevitable by not closing KNI, what are the projected census numbers for KNI?

KNI Admission and Discharge Information

Fiscal Year	Admissions	Discharges	Deaths	Census
2005	3	1	2	168
2006	3	2	3	166
2007	3	2	4	163
2008	3	3	3	160
2009	6	3	7	156
9/30/09 (YTD)	1	0	0	157
Totals	19	11	19	
Avg/year	3.6	2.2	3.8	

At this rate of reduction in census it would take approximately 75 years for all of the KNI residents to be discharged. However, it would be anticipated that due to the aging population at KNI the number of deaths would increase, making this time frame shorter.

Parsons Admission and Discharge information

Calendar Year	Admissions	Discharges	Deaths	ADC
2004	22	11		188
2005	17	14	1	195
2006	16	15	2	198
2007	15	17	2	195
2008	18	16	3	194
thru 10/9/2009	12	10	3	191
Average	16.7	13.8	2.2	

At this rate of admissions, discharges and deaths the census at Parsons has remained fairly constant.

2. How many people chose to stay in the Winfield area, how many went to the other institutions?

- Of the 241 people who left Winfield
 - 10 went to Parsons (4%)
 - 26 went to KNI (11%)
 - 112 stayed in Cowley County (46%)
 - 93 went to other communities across Kansas (39%)

3. What are the costs/savings if Parsons and KNI were to close and all residents were moved to the community?

At Attachment A are two spreadsheets that show the cost and savings of moving all residents from Parsons and KNI to the Community. The difference in these cost/savings projections from those of the DRC and other stakeholders is that these projections use the actual tier rates of the individuals living at KNI and Parsons, with a projection that 75% of them would be on the super tier reimbursement rate. This 75% super tier rate is based on the Winfield closure experience.

As you can see on the attached spreadsheets, the average annual cost to serve a KNI resident in the community is projected to be \$86,646 and the savings that would be experienced when KNI is completely closed is \$15,046,860 all funds, \$6,327,205 state funds.

The average annual cost to serve a Parsons State Hospital resident in the community is projected to be \$79,087 and the savings that would be experienced when PSH is completely closed is \$10,340,949 all funds, \$4,348,369 state funds.

The total savings that would be expected when both facilities are completely closed is \$25,387,809 all funds, \$10,675,574 state funds.

4. What would the cost/savings be if KNI and Parsons were to downsize, while maintaining the community outreach programs, specialized services and continuing to serve the people with the more severe support needs, behaviorally and medically?

The Superintendents at KNI and Parsons were asked to review all of the people they serve in their facilities and make a determination as to who they felt could be served successfully in the community. They based their decision as to who could be successfully served in the community; on the circumstances and needs they were seeing around the recent admissions to their facilities.

They worked with their clinical and support staff to determine who they believed would have a high probability for success in the community with few problems if given the right supports; and people they believe would present moderate challenges, but who would have a high probability for success given appropriate supports and services from the right provider.

KNI identified 49 people that met these criteria and Parsons State Hospital identified 62 people who would meet the criteria. Using the names of the people identified, their Tier Scores were determined and the cost of serving these individuals in the community was determined. Again based on the Winfield closure it was estimated that 75% of these people would receive super tier rates. The two charts at Attachment B show the calculation used to determine the cost of serving them in the community. As you can see from the charts, it is estimated it would cost \$4,520,812 to serve the people leaving Parsons, and it would cost \$4,075,088 to serve the people leaving KNI.

The Superintendents were also asked to determine the savings that would be experienced at their facilities based on the reduced census resulting from moving these people to the community. KNI determined there would be a savings of \$6,051,111. These savings would be realized through the elimination of 153 FTEs, and the closure of two buildings consisting of 8 homes. Parsons determined they would have a savings of \$3,307,154. These savings would be realized through the elimination of 82 FTE and the closure of two cottages. The difference in the savings between the two facilities is the higher per person costs at KNI because of the higher degree of medical and activities of daily living needs for the people living at KNI.

As a result, there would be an overall savings to the system of \$762,365 all funds, \$320,574 state funds by moving this number of people to the community.

Attachment A – page 1 of 2

All KNI Residents to the Community									
Community Placement Costs						KNI Costs During Transition			
	# Moved to Community	Avg Waiver Cost	Start Up	Total	Cumulative	Direct Care	Admin	Total	Cumulative
Jan	7	\$ 50,543	\$ 32,200	\$ 82,743	\$ 82,743	\$ 1,799,742	\$ 594,997	\$ 2,394,739	\$ 2,394,739
Feb	14	\$ 101,087	\$ 32,200	\$ 133,287	\$ 216,030	\$ 1,724,753	\$ 590,451	\$ 2,315,204	\$ 4,709,943
March	21	\$ 151,630	\$ 32,200	\$ 183,830	\$ 399,860	\$ 1,649,764	\$ 585,904	\$ 2,235,668	\$ 6,945,611
April	28	\$ 202,173	\$ 32,200	\$ 234,373	\$ 634,233	\$ 1,574,774	\$ 551,279	\$ 2,126,053	\$ 9,071,664
May	35	\$ 252,716	\$ 32,200	\$ 284,916	\$ 919,149	\$ 1,499,785	\$ 546,732	\$ 2,046,517	\$ 11,118,181
June	42	\$ 303,260	\$ 32,200	\$ 335,460	\$ 1,254,609	\$ 1,424,796	\$ 542,186	\$ 1,966,981	\$ 13,085,162
July	49	\$ 353,803	\$ 32,200	\$ 386,003	\$ 1,640,612	\$ 1,424,796	\$ 542,186	\$ 1,966,981	\$ 15,052,144
August	56	\$ 404,346	\$ 32,200	\$ 436,546	\$ 2,077,159	\$ 1,349,807	\$ 537,639	\$ 1,887,445	\$ 16,939,589
Sept	63	\$ 454,890	\$ 32,200	\$ 487,090	\$ 2,564,248	\$ 1,274,817	\$ 533,092	\$ 1,807,910	\$ 18,747,499
Oct	70	\$ 505,433	\$ 32,200	\$ 537,633	\$ 3,101,881	\$ 1,199,828	\$ 498,467	\$ 1,698,295	\$ 20,445,794
Nov	77	\$ 555,976	\$ 32,200	\$ 588,176	\$ 3,690,058	\$ 1,124,839	\$ 493,920	\$ 1,618,759	\$ 22,064,553
Dec	84	\$ 606,520	\$ 32,200	\$ 638,720	\$ 4,328,777	\$ 1,049,850	\$ 489,374	\$ 1,539,223	\$ 23,603,776
Jan	91	\$ 657,063	\$ 32,200	\$ 689,263	\$ 689,263	\$ 974,860	\$ 484,827	\$ 1,459,687	\$ 1,459,687
Feb	98	\$ 707,606	\$ 32,200	\$ 739,806	\$ 1,429,069	\$ 899,871	\$ 480,281	\$ 1,380,152	\$ 2,839,839
March	105	\$ 758,149	\$ 32,200	\$ 790,349	\$ 2,219,418	\$ 824,882	\$ 475,734	\$ 1,300,616	\$ 4,140,455
April	112	\$ 808,693	\$ 32,200	\$ 840,893	\$ 3,060,311	\$ 749,893	\$ 441,109	\$ 1,191,001	\$ 5,331,456
May	119	\$ 859,236	\$ 32,200	\$ 891,436	\$ 3,951,747	\$ 674,903	\$ 436,562	\$ 1,111,465	\$ 6,442,921
June	126	\$ 909,779	\$ 32,200	\$ 941,979	\$ 4,893,727	\$ 599,914	\$ 432,015	\$ 1,031,929	\$ 7,474,850
July	133	\$ 960,323	\$ 32,200	\$ 992,523	\$ 5,886,249	\$ 524,925	\$ 427,469	\$ 952,393	\$ 8,427,244
August	140	\$ 1,010,866	\$ 32,200	\$ 1,043,066	\$ 6,929,315	\$ 524,925	\$ 427,469	\$ 952,393	\$ 9,379,637
Sept	147	\$ 1,061,409	\$ 32,200	\$ 1,093,609	\$ 8,022,924	\$ 449,936	\$ 392,843	\$ 842,779	\$ 10,222,416
Oct	154	\$ 1,111,953	\$ 32,200	\$ 1,144,153	\$ 9,167,077	\$ 374,946	\$ 388,297	\$ 763,243	\$ 10,985,659
Nov	158	\$ 1,140,834	\$ 18,400	\$ 1,159,234	\$ 10,326,311	\$ 299,957	\$ 383,750	\$ 683,707	\$ 11,669,366
Dec	158	\$ 1,140,834	\$ -	\$ 1,140,834	\$ 11,467,146	\$ -	\$ -	\$ 341,854	\$ 12,011,219
Jan-Dec	158	\$ 1,140,834	\$ -	\$ 1,140,834	\$ 13,690,013	\$ -	\$ -	\$ -	\$ -
	1	\$ 86,646	Average per person annual community cost						

KNI to Community Savings			
Total First Year Costs	\$ 27,932,553	Total 2nd year costs	\$ 23,478,365
FY09 KNI Costs	\$ 28,736,873	FY09 KNI Costs	\$ 28,736,873
Savings first year all funds	\$ 804,320	Savings 2nd year all funds	\$ 5,258,508
Savings first year SGF	\$ 338,217	Savings 2nd year SGF	\$ 2,211,203
Total 3rd year costs	\$ 13,690,013	Total 4th year costs	\$ 13,690,013

FY09 KNI Costs	\$ 28,736,873	FY09 KNI Costs	\$ 28,736,873
Savings 3rd year all funds	\$ 15,046,860	Savings 4th year all funds	\$ 15,046,860
Savings 3rd year SGF	\$ 6,327,205	Savings 4th year SGF	\$ 6,327,205

Attachment A – page 2 of 2

All Parsons Residents to the Community										
Community Placement Costs						Parsons Costs During Transition				
	# Moved to Community	Avg Waiver Cost	Start Up	Total	Cumulative	Direct Care	Admin	Total	Cumulative	
Jan	7	\$ 46,134	\$ 32,200	\$ 78,334	\$ 78,334	\$ 1,401,909	\$ 594,587	\$ 1,996,496	\$ 1,996,496	
Feb	14	\$ 92,268	\$ 32,200	\$ 124,468	\$ 202,802	\$ 1,401,909	\$ 594,587	\$ 1,996,496	\$ 3,992,991	
March	21	\$ 138,402	\$ 32,200	\$ 170,602	\$ 373,403	\$ 1,274,462	\$ 569,992	\$ 1,844,454	\$ 5,837,445	
April	28	\$ 184,535	\$ 32,200	\$ 216,735	\$ 590,138	\$ 1,274,462	\$ 569,992	\$ 1,844,454	\$ 7,681,899	
May	35	\$ 230,669	\$ 32,200	\$ 262,869	\$ 853,008	\$ 1,147,016	\$ 545,396	\$ 1,692,412	\$ 9,374,311	
June	42	\$ 276,803	\$ 32,200	\$ 309,003	\$ 1,162,011	\$ 1,147,016	\$ 545,396	\$ 1,692,412	\$ 11,066,724	
July	49	\$ 322,937	\$ 32,200	\$ 355,137	\$ 1,517,148	\$ 1,147,016	\$ 545,396	\$ 1,692,412	\$ 12,759,136	
August	56	\$ 369,071	\$ 32,200	\$ 401,271	\$ 1,918,418	\$ 1,019,570	\$ 520,801	\$ 1,540,371	\$ 14,299,506	
Sept	63	\$ 415,205	\$ 32,200	\$ 447,405	\$ 2,365,823	\$ 1,019,570	\$ 520,801	\$ 1,540,371	\$ 15,839,877	
Oct	70	\$ 461,338	\$ 32,200	\$ 493,538	\$ 2,859,362	\$ 892,124	\$ 496,205	\$ 1,388,329	\$ 17,228,206	
Nov	77	\$ 507,472	\$ 32,200	\$ 539,672	\$ 3,399,034	\$ 892,124	\$ 496,205	\$ 1,388,329	\$ 18,616,535	
Dec	84	\$ 553,606	\$ 32,200	\$ 585,806	\$ 3,984,840	\$ 892,124	\$ 496,205	\$ 1,388,329	\$ 20,004,864	
Jan	91	\$ 599,740	\$ 32,200	\$ 631,940	\$ 631,940	\$ 764,677	\$ 471,610	\$ 1,236,287	\$ 1,236,287	
Feb	98	\$ 645,874	\$ 32,200	\$ 678,074	\$ 1,310,014	\$ 764,677	\$ 471,610	\$ 1,236,287	\$ 2,472,575	
March	105	\$ 692,008	\$ 32,200	\$ 724,208	\$ 2,034,222	\$ 637,231	\$ 447,014	\$ 1,084,246	\$ 3,556,820	
April	112	\$ 738,142	\$ 32,200	\$ 770,342	\$ 2,804,563	\$ 637,231	\$ 447,014	\$ 1,084,246	\$ 4,641,066	
May	119	\$ 784,275	\$ 32,200	\$ 816,475	\$ 3,621,038	\$ 509,785	\$ 422,419	\$ 932,204	\$ 5,573,270	
June	126	\$ 830,409	\$ 32,200	\$ 862,609	\$ 4,483,648	\$ 509,785	\$ 422,419	\$ 932,204	\$ 6,505,474	
July	133	\$ 876,543	\$ 32,200	\$ 908,743	\$ 5,392,391	\$ 509,785	\$ 422,419	\$ 932,204	\$ 7,437,678	
August	140	\$ 922,677	\$ 32,200	\$ 954,877	\$ 6,347,268	\$ 382,339	\$ 397,824	\$ 780,162	\$ 8,217,840	
Sept	147	\$ 968,811	\$ 32,200	\$ 1,001,011	\$ 7,348,278	\$ 382,339	\$ 397,824	\$ 780,162	\$ 8,998,002	
Oct	154	\$ 1,014,945	\$ 32,200	\$ 1,047,145	\$ 8,395,423	\$ 254,892	\$ 373,228	\$ 628,121	\$ 9,626,123	
Nov	161	\$ 1,061,078	\$ 32,200	\$ 1,093,278	\$ 9,488,701	\$ 254,892	\$ 373,228	\$ 628,121	\$ 10,254,243	
Dec	168	\$ 1,107,212	\$ 32,200	\$ 1,139,412	\$ 10,628,114	\$ 254,892	\$ 373,228	\$ 314,060	\$ 10,568,304	
Jan	175	\$ 1,153,346	\$ 32,200	\$ 1,185,546	\$ 1,185,546	\$ 127,446	\$ 348,633	\$ 476,079	\$ 476,079	
Feb	182	\$ 1,199,480	\$ 32,200	\$ 1,231,680	\$ 2,417,226	\$ 127,446	\$ 348,633	\$ 476,079	\$ 952,158	
March	189	\$ 1,245,614	\$ 32,200	\$ 1,277,814	\$ 3,695,040	\$ 127,446	\$ 348,633	\$ 476,079	\$ 1,428,237	
April	191	\$ 1,258,795	\$ 9,200	\$ 1,267,995	\$ 4,963,035	\$ 127,446	\$ 348,633	\$ 476,079	\$ 1,904,316	
May	191	\$ 1,258,795	\$ -	\$ 1,258,795	\$ 6,221,830	\$ -	\$ 174,316	\$ 174,316	\$ 2,078,632	
June	191	\$ 1,258,795		\$ 1,258,795	\$ 7,480,625	\$ -	\$ 174,316	\$ 174,316	\$ 2,252,949	
July-Dec	191	\$ 7,552,770		\$ 7,552,770	\$ 15,033,394	\$ -	\$ -	\$ -	\$ 2,252,949	
Jan-Dec	191	\$ 15,105,539						4th Year costs	\$ 15,105,539	
	1	\$ 79,087	Average per person annual community cost							

Parsons to Community Savings

Total First Year Costs	\$ 23,989,704	Total 2nd year costs	\$ 21,196,417
FY09 Parsons Costs	\$ 25,446,488	FY09 Parsons Costs	\$ 25,446,488
Savings first year all funds	\$ 1,456,784	Savings 2nd year all funds	\$ 4,250,071
Savings first year SGF	\$ 612,578	Savings 2nd year SGF	\$ 1,787,155
Total 3rd year costs	\$ 17,286,343	Total 4th year costs	\$ 15,105,539
FY09 Parsons Costs	\$ 25,446,488	FY09 Parsons Costs	\$ 25,446,488
Savings 3rd year all funds	\$ 8,160,145	Savings 4th year all funds	\$ 10,340,949
Savings 3rd year SGF	\$ 3,431,341	Savings 4th year SGF	\$ 4,348,369

Attachment B

Parsons Tier Rates Based on 75% of Consumers Funded at Super Tiers

PSH	Number	ST - Res	Annual Res	ST - Day	Annual Day	Annual Total Costs
Tier 1	6	\$192.05	\$420,589.50	\$120.87	\$188,557.20	\$609,146.70
	3	\$160.21	\$175,429.95	\$99.53	\$77,633.40	\$253,063.35
Tier 2	9	\$171.36	\$562,917.60	\$111.12	\$260,020.80	\$822,938.40
	4	\$131.22	\$191,581.20	\$73.60	\$76,544.00	\$268,125.20
Tier 3	13	\$152.56	\$723,897.20	\$102.36	\$345,976.80	\$1,069,874.00
	6	\$94.86	\$207,743.40	\$59.19	\$92,336.40	\$300,079.80
Tier 4	8	\$133.74	\$390,520.80	\$93.31	\$194,084.80	\$584,605.60
	3	\$61.26	\$67,079.70	\$43.55	\$33,969.00	\$101,048.70
Tier 5	8	\$114.55	\$334,486.00	\$85.31	\$177,444.80	\$511,930.80
	2	\$44.27	\$32,317.10	\$37.37	\$19,432.40	\$51,749.50
	62				Total	\$4,520,812.55

Average Annual Cost \$72,916.33

KNI Tier Rates Based on 75% of Consumers Funded at Super Tiers

KNI	Number	ST - Res	Annual Res	ST - Day	Annual Day	Annual Total Costs
Tier 1	11	\$192.05	\$771,080.75	\$120.87	\$345,688.20	\$1,116,768.95
	3	\$160.21	\$175,429.95	\$99.53	\$77,633.40	\$253,063.35
Tier 2	11	\$171.36	\$688,010.40	\$111.12	\$317,803.20	\$1,005,813.60
	4	\$131.22	\$191,581.20	\$73.60	\$76,544.00	\$268,125.20
Tier 3	11	\$152.56	\$612,528.40	\$102.36	\$292,749.60	\$905,278.00
	4	\$94.86	\$138,495.60	\$59.19	\$61,557.60	\$200,053.20
Tier 4	4	\$133.74	\$195,260.40	\$93.31	\$97,042.40	\$292,302.80
	1	\$61.26	\$22,359.90	\$43.55	\$11,323.00	\$33,682.90
Tier 5	0	\$114.55	\$0.00	\$85.31	\$0.00	\$0.00
	0	\$44.27	\$0.00	\$37.37	\$0.00	\$0.00
	49				Total	\$4,075,088.00

Average Annual Cost \$83,165.06